(USAC Finding 4)

Audit Finding #4

Criteria:

"Lifeline provides low-income consumers with discounts of up to \$10.00 off the monthly cost of telephone service for a single telephone line in their principal residence."

Condition:

We obtained and examined the Beneficiary and four incumbent's subscriber listings to support the total number of Lifeline and Link Up subscribers noted on the June 2007 Form 497. We utilized computer assisted auditing techniques to identify subscribers claimed by both the wireless and wireline carriers. In North Dakota, we identified 280 name and address matches. In South Dakota, we identified 577 name and address matches. These subscribers were claimed on both the incumbent and competitor's June 2007 Form 497. Only one carrier should have claimed these subscribers.

Cause:

The mechanism in place to prevent a subscriber from obtaining Lifeline discounts on both their wireless and wireline service is ineffective.

Effect:

The Beneficiary received approximately in support for subscribers who also received Lifeline support on their landline. Because we do not know which line (and consequently which carrier) should receive support, we cannot precisely calculate the overpayment of support.

Recommendation:

While we recognize that the Beneficiary's current Lifeline application requires the applicant to certify under penalty of perjury that they or someone else in their household does not already receive Lifeline support, we recommend the Beneficiary reinforce this orally at the time they accept the subscriber's Lifeline application.

In addition, we recommend that USAC management raise the issue of duplicate claims with the FCC for guidance on how to identify which carrier is entitled to the support.

Beneficiary Response:

"Just as the Auditor could not determine which line should be eligible, the landline or the wireless line, Alltel, with access to far less information, has no way to ascertain if the customer has another Lifeline except to ask the customer and rely on their attestation. Alltel does not have access to the incumbent LEC's subscriber information necessary to identify customers that are already receiving Lifeline/Link-Up discounts. Therefore, Alltel must rely on the potential Lifeline/Link-Up customer's certification under the

USAC Audit No. LI2008BE001

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⁴ In the Matter of Lifeline and Link Up, FCC 04-87, 19 FCC Rcd 8302, 8306, ¶ 4 (2004). See also, 47 C.F.R. §§ 54.401 and .403.

penalty of perjury that he/she does not receive Lifeline/Link-Up discounts from any other service provider. Alltel agrees to further train its sales staff to emphasize to customers the significance of the attestation."

USAC Management Response:

USAC management will contact each incumbent and the Beneficiary and ask the companies to work together to determine which company should properly claim the Lifeline subscribers identified by the auditors as receiving Lifeline support from both companies. If the companies are unwilling or unable to allocate the customers at issue between themselves, USAC will refer this issue to the FCC's Enforcement Bureau to determine whether additional investigation is required to determine which company should have claimed these Lifeline subscribers.

(USAC Finding 11)

Audit Finding #11

Criteria:

"Lifeline defined. As used in this subpart, Lifeline means a retail <u>local</u> service offering:..." 47 C.F.R. §54.401(a) (emphasis added)

Condition:

Our analysis of the Beneficiary's charges reveals that the carrier sets different rates for the same service depending on whether or not the subscriber lives on tribal lands. We noted that the Beneficiary charges \$14.99 a month for near reservation Lifeline service and \$34.25 for on reservation Lifeline service (before Lifeline credits are applied).

Cause:

It appears that the Beneficiary sets its tribal rates more for their ability to maximize its claim from the Universal Service Fund (USF) than to recover its costs for providing Lifeline service.

Effect:

The monetary effect of this finding is

overpayment of support.

Recommendation:

We recommend the Beneficiary claim the appropriate amount of Lifeline support to reduce its standard Basic Universal Service rate to \$1 for tribal subscribers. The higher costs of servicing tribal lands, if any, may be recoverable from the High Cost Support Mechanism of the USF.

Beneficiary Response:

"Alltel has two rates plan, one priced at \$14.99 prior to the Lifeline discount and the other priced at \$34.25 prior to the Lifeline discount. Both these rate plans are identical with one exception which is the local calling area. The local calling area with the \$14.99 rate plan is determined at the switch level. The local calling area with \$34.25 rate plan includes the calling area that is available with \$14.99 rate plan plus toll free calling virtually anywhere in the United States. Both of these plans are available to tribal customers for \$1 because of the availability of the Tier IV support on tribal lands. Therefore, a tribal Lifeline customer get a much greater value for the \$1 when they choose the plan that includes toll free calling virtually anywhere in the United States. Since the retail rate of this plan is \$34.25 and the customer only pays \$1, Alltel recovery of \$33.25 is appropriate and accurate."

USAC IAD Response to Beneficiary Response:

The federal Lifeline program is designed to support basic (local) service. In its Lifeline Order, 9 the FCC chose not to use the universal service program to support interexchange

USAC Audit No. LI2008BE001

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CONFIDENTIAL

Federal-State Joint Board on Universal Service, CC Docket 96-45, Report and Order,

services. The Lifeline program should not support any costs that the Beneficiary incurs in providing toll free calling for its subscribers.

USAC Management Response:

USAC concurs with the cause, effect and recommendation. The FCC explicitly defines Lifeline as a discount on basic, local telephone service. Further, in the 2000 *Tribal Order*, the FCC opted not to include intrastate toll or interstate toll as a service supported by the Universal Service Fund. ¹⁰ USAC will recover any overpayments that have occurred as a result of this finding. In addition, the Beneficiary must cease claiming federal Lifeline support for service related to the toll portion of its calling plan.

USAC Audit No. LI2008BE001

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¹² FCC Rcd 8776, 8991, FCC 97-157, ¶ 404 (1997) (Universal Service Order).

¹⁰ Federal-State Joint Board on Universal Service: Promoting Deployment and Subscribership in Unserved and Underserved Areas, Including Tribal and Insular Areas, CC Docket No. 96-45, Twelfth Report and Order, Memorandum Opinion and Order, and Further Notice of Proposed Rulemaking, FCC 00-208, 15 FCC Rcd 12208, 12216, ¶ 58 (2000) (Tribal Order).

(Letters from Tribes regarding lack of official addresses)



Oglala Sioux Tribe Office of Eco. 10mic Development



feingih RedClaud Derchymen Specialist P.O. Han #669 Pine Ridge, Sunh Dahuta 57770 E-meil: joeredelaud@burgmeil.com Tel: (605) H87-5600 ur 5771 Fax: (603) 867-5674 Call: (603) 441-3515

Mr. Forn Reiman, Sales Manager Alliel Communications, Inc. (605) 360-0095 November 5, 2007

Dear Mr. Remain:

Please be advised that the Oglah Sioux Tribe does not currently have physical addresses on the Pine Ridge Indian Reservation. We are in the process of completing a study on this situation and hope to establish physical addresses in the not ten distant future. We will advise Alltel Communications when our situation changes.

Please accept our sincere thanks in advance of your anticipated kind consideration and continued cooperation in this matter. Additionally, please feel free to contact me should you have any other questions in this or any other related subject.

Most Respectfully

Joseph RedCloud, Chairman
Melecommunications Task Force

Development Specialist

Office of Economic Development

Oglata Stoux Tribe

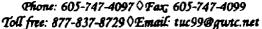
Concur

David Terry Mills, Director Economic Development Office



Rosebud Sioux Tribe Utility Commission Office P.O Box 430 Rosebud Indian Reservation

Rosebud, South Dakota 57570 Phone: 605-747-4097 & Fas; 605-747-4099





Tom Reiman, Sales Manager Alltel Communications, Inc. 605-360-0095 October 19, 2007,

Mr. Reiman,

The Rosebud Sioux Tribe is notifying Alltel Communications, Inc. that currently as of this date 10/19/07 there is no physical addresses on the Rosebud Indian Reservation.

If you have any questions or require further information please feel free to call the TUC office.

Sincerely
Tony Rogers, Director
RST Utilities Commission

Cc: File

Tony Rogers Director Deana Leighton Administrative Assistant

Norman Running, Jr. Secretary



SPIRIT LAKE TRIBE

OFFICE OF THE TRIBAL SECRETARY! TREASURER
BRIAN S. PEARSON

PO BOY 359 + FORE POTTEN, ND 38335 + PHONE "GEOGRAPIES + EAX TREE CO-4126

December 4, 2008

Alltel Wireless

ATTN: Michael Abrahamson

Dear Mr. Abrahamson:

This letter is to inform you. The Spirit Lake Tribe, a federally recognized Indian tribe of North Dakota, does not have access to a 911 system, and all mail is addressed to PO Boxes and or General Delivery.

Should you have any questions or concerns, please feel free to contact my office (@ 7014-766-1738. Thank you.

Respectfully,

Brian Pearson

Secretary-Treasurer

SPIRIT LAKE TRIBE

Firm Planas @

Ce.file

Toni Wells Director



Tribal Planning Department 187 Oyate Circle Lower Brule, SD 57548-0187 (605) 473-5566 Fax: (605) 473-5565

Mr. Tom Reiman, Sales Manager Alltel Communications, Inc. (605)360-0095 May 21, 2008

Dear Mr. Reiman:

Please be advised that the Lower Brule Sioux Tribe does not currently have all physical addresses in place on the Lower Brule Sioux Indian Reservation. We are in the process of completing a study on this situation and hope to establish physical addresses in the not too distant future. We will advise Alltel Communications when our situation changes.

Please accept our sincere thanks in advance of your anticipated kind consideration and continued cooperation in this matter. Additionally, please feel free to contact me should you have any other questions in this or any other related subject.

Most Respectfully,"

Toni Wells

Tribal Planning Director



TURTLE MOUNTAIN BAND OF CHIPPEWA INDIANS

HIGHWAY #5 WEST P.O. BOX 900 BELCOURT NORTH DAKOTA 58316

(701) 477-260 FAX: (701) 477-88:

October 31, 2007

Alltel Wireless
Attn: Jennifer Kutz

Dear Mrs Kutz:

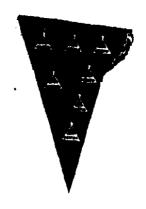
Please accept this letter as notification to Alltel that the Turtle Mountain Band of Chippewa Indian Reservation does not have access to a 911 system.

Should you have any questions or concerns please feel free to contact my office at 701-

477-2610.

Stuart B. LaFountain
District II Councilman

Turtle Mountain Band of Chippewa Indians



Sisseton-Wahpeton Oyate

LAKE TRAVERSE RESERVATION

Planning & Economic Development Department
P.O. Box 509

205 E. Oak St., Suite 207 Agency Village, South Dakota 57262 Phone: (605) 698-4972

Fax: (605) 698-7054

July 16, 2008

Mr. David Viger, Sales Executive Alltel Communications, Inc. 2312 South Roosevelt Avenue Sioux Falls, SD 57206

Dear Mr. Viger.

Currently on the Lake Traverse Reservation, the 911 addressing for all physical addresses is not available. The Tribe is working to compile such a listing for emergency management and other official governmental functions. As an important utility communication service provider, Alltel's work with this kind of information is necessary. This office looks forward to information exchanges related to 911 addressing. The electronic format is a question, reducing the amount of data to keying and input saves both offices time and money.

Continue to contact this office with electronic formats that work for Alltel to coordinate our data input. Call the Planning Department at (605) 698-4972 as needed.

Sincerely.

Charles Hill-George
Planning Director

Sisseton-Wahpeton Oyate

Cc: Michael Selvage, Sr., Tribal Chairman

Russell Hawkins, Superintendent, Sisseton Agency, BIA

Dawn Burley, MIS Manager



Mandan, Hidatsa, & Arikara Nation 404 Frontage Road * Fort Berthold Indian Reservation New Town, North Dakota 58763-9402

Angie Nehring Internal Auditor Email-aknehring@mhanation.com (701)-627-4781 ext. 8278 Fax (701)-627-2811

Dear Mike Abrahamson, Alltel Rep,

This letter is to notify you that all of the residents of Fort Berthold Reservation do not have official 911 addresses.

If you have any questions feel free to give me a call 701-627-8278.

Have a great day!

Sincerely

Angie Nehring Internal Auditor

Three Affiliated Tribes

(Alltel Lifeline Application and Eligibility Certification Form)



Federal Lifeline and/or Link-Up Assistance Certification Form - Tribal Lands

SS1	N#		
First Name	M	Middle Initial	
Address:State		Zip	
City	State	Zip	
	Alltel BAN#		
e XIX/Medical State Sur arity Income (SSI) asing Assistance Progran e Energy Assistance (LII ance to Needy Families P	oplemental Assis n HEAP) rogram (TANF)	tance)	
	City Or more of the following e XIX/Medical State Suparity Income (SSI) using Assistance Programe Energy Assistance (LH mace to Needy Families P	CityState Alltel BA or more of the following programs: (ch e XIX/Medical State Supplemental Assis	

If you do not participate in one or more of the programs listed above, you may qualify for Lifeline if your total household income does not exceed 135% of the Federal Poverty Guidelines. (see Table below). You must provide proof of your household income to verify your application.

I qualify for assistance under the income guidelines because my total household income is equal to or below the amount indicated next to the number of persons who reside in my household as I circled below

2009 Health and Human Services Poverty Guidelines

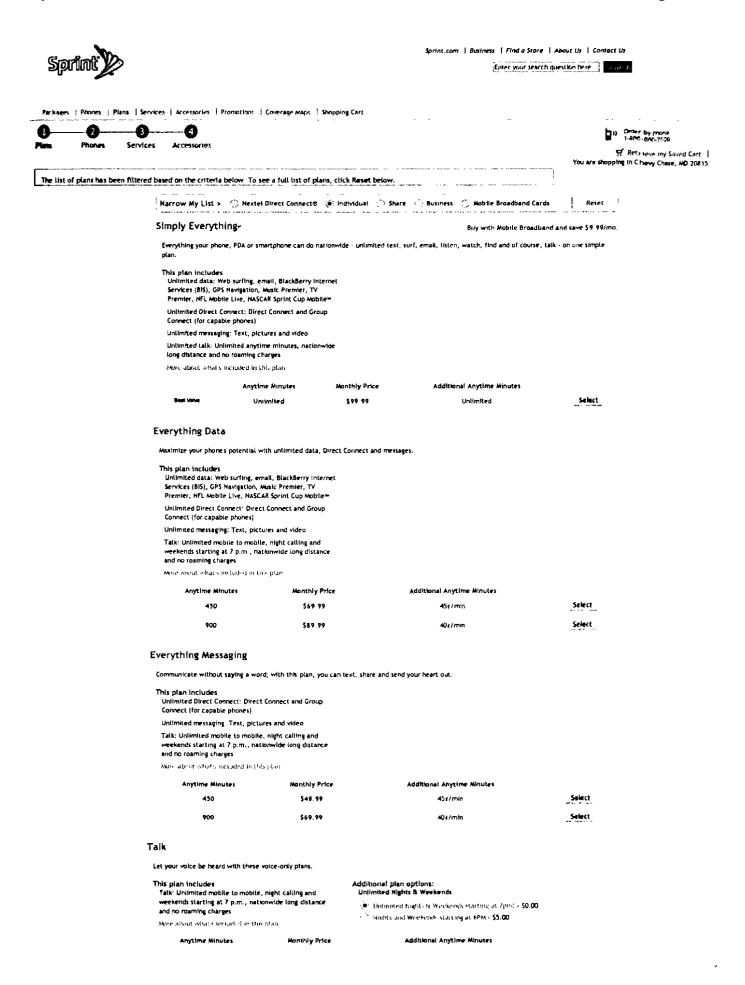
Number in residence	135% Guideline - (Annual)	135% Guideline –(Monthly)	
1	\$14,621	\$ 1,218	
2	\$19,670	\$ 1,639	
3	\$24,719	\$ 2,060	
4	\$29,768	\$ 2,481	
5	\$34,817	\$ 2,901	
6	\$39,866	\$ 3,322	
7	\$44,915	\$ 3,743	
8	\$49,964	\$ 4,164	
For each additional person, add	\$5,049	\$421	

Source: Federal Register, Vol. 74 No. 14, January 23, 2009 pp. 4199-4201 (Applicable to 48 contiguous states only) (Example: If 5 persons reside in your residence, the combined income of all 5 persons may not exceed \$34,817 per year.)

I certify under penalty of perjury that:

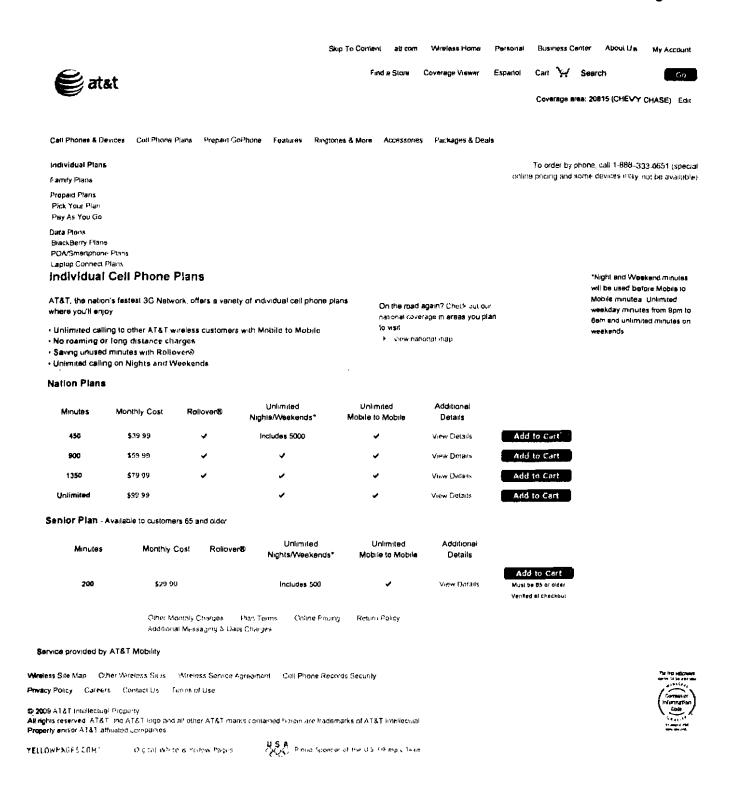
- I am eligible for and currently receive benefits from the public assistance program(s) identified herein:
- I will notify Alltel when I no longer qualify for any of the public assistance programs identified herein or when I no longer satisfy the income requirements;
- If I qualify by income determination, the information submitted in support of proof of
 income accurately represents my income and I circled the correct number of persons who
 reside in my household;
- I do not currently receive Lifeline support and no other resident at my residential address participates in the Lifeline program:
- I understand that I may be required to verify my continued eligibility for Lifeline at anytime and the failure to do so will result in the removal of the Lifeline discount from my account and I will be billed for the respective non-discounted Lifeline rate plan;
- I authorize Alltel to access any records required to verify my statements herein and to confirm my eligibility for Lifeline. I authorize social service agency representatives to discuss with and/or provide information to Alltel verifying my participation in public assistance programs that qualify me for Lifeline. I also authorize Alltel to release any records required for the administration of the Lifeline/Link-Up programs;
- I reside on a federally recognized Indian tribal reservation;
- I will notify Alltel if I move and no longer reside on a federally recognized Indian tribal reservation:
- The information contained on this form is complete, true and correct; and
- I am eligible for Link-Up assistance and I have not previously received Link-Up
 assistance at my current residential address (unless otherwise indicated by me in writing).

(Web Page showing Sprint Basic calling plan is Nationwide)



. 450				
900	\$39.99	40 s	/min	Selen
Basic				
Get back to the basics with this plan i	deal for the occasional c	aller,		
This plan includes Talk: Night calling and weekends starting at 9 p.m.,		Additional plan options: Unlimited Nights & Weekend	tı	
nationwide long distance and no roa		(4) Glights and Westerick (5)		
More about what's included in this p	nan	C Hights and Weekends - S		
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Anytime Minutes	Monthly Price	Additional An	ytime Minutes	
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Do you rely on push-to-talk? Try our Ne Work Group Communications + Web an This plan includes	extel Direct Connect Cusi of Navigation (\$39,99/\$4)			29.99] OR Unli
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Do you rely on push-to-talk? Try our Ne Work Group Communications • Web an This plan includes Unlimited Direct Connect Direct Corconnect Unlimited Messaging: Text, pictures Talk: Unlimited mobile to mobile, ni weekends starting at 9 p.m., nations and no roaming charges.	extel Direct Connect Cust of Navigation (\$39 99/\$4) nnect and Group and video ght calling and wide long distance that	Additional plan option + Unlimited Web and Surf the Net as easily a voice-guided turn-by-ti alerts and on-click rero Amytime minutes Available to all Nextel I same account. + 500 Anytime minute - 2,000 Anytime minute	inare. Newigetion s you do from your laptop or ustr driving directions, maps, to uting. Orrect Connect Custom Plans 5 - 530/mo. 1 - 5300/mo. Buy now and get al Additional Anytime Minute	PC and get traffic ubscribers on n edra 500 min es
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(Web page showing AT&T Basic calling plan is Nationwide)



(Web page showing Verizon Wireless Basic calling plan is Nationwide)

Location. Washington, DC | Coverage Locator



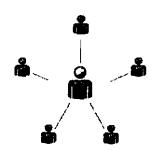
Residential Business Wireless

Individual Plans

Introducing Friends & Family.*

Connect More. Spend Less.
Unlimited cailing to 5 out-of-network numbers, even landlines.

Plus, as always, get America's Largest Mobile to Mobile Calling Family. All at no extra cost. On Nationwide Single-Line Plan with 900 Anytime Minutes or more.



OTHER PLANS

Family Plans

EXISTING CUSTOMERS

Sign in to My Verizon

Change Calling Plan

Add a Line

Plans

	Basic Plans	Select Plans	Connect Plans	Premium Plans*
Monthly Access	Starting at \$39.99	Starting at \$59.99	Starting at \$69.99	Starting at \$79.99
Monthly Anytime Minutes	Starting at 450	Starting at 450	Starting at 450	Starting at 450
Friends & Family	5 numbers included on plans with 900 Anytime Minutes or more	5 numbers included on plans with 900 Anytime Minutes or more	5 numbers included on plans with 900 Anytime Minutes or more	5 numbers included on plans with 900 Anytime Minutes or more
Unlimited Mobile to Mobile Minutes	©	Ø	છ	છ
Unlimited Night & Weekend Minutes	₽	₽	❷	₽
Domestic Long Distance included	8	9	⊗	Ø
Web Browsing	\$1.99/MB	\$1.99/MB	Unlimited	Unlimited

Text Messaging	\$0.20/Message	Unlimited	Untimited	Unlimited
Picture & Video Messaging	\$0.25/Message	Unlimited	Unlimited	Unilmited
Mobile Email_	_		•	
V CAST VPak	_	_	_	•
VZ Navigator	_	_	_	

^{*}Available on select phones only

Other Individual Plans

Messaging only

Unlimited messaging without voice minutes for one low monthly price. Shop Now

65 Plus

A plan designed to meet the needs of customers 65 and older. Shop Now

Push To Talk Only

Unlimited 1-to-1 and Group Push To Talk calling. Shop Now

Nationwide Plus Canada

The perfect plan for frequent travelers to Canada Shop Now

Check out all of your options

View all calling plans Shop Now